

India gold market update

Festive prep begins



Highlights

- Gold steady with gains in August; discounts narrow in India
- Retailers gear up for festive boost, ramping up inventories
- Positive inflows¹ and one new fund entry drive continued gold ETF growth
- RBI holds steady on gold reserves in July
- July's gold imports surge, bracing for festive demand.

Looking ahead

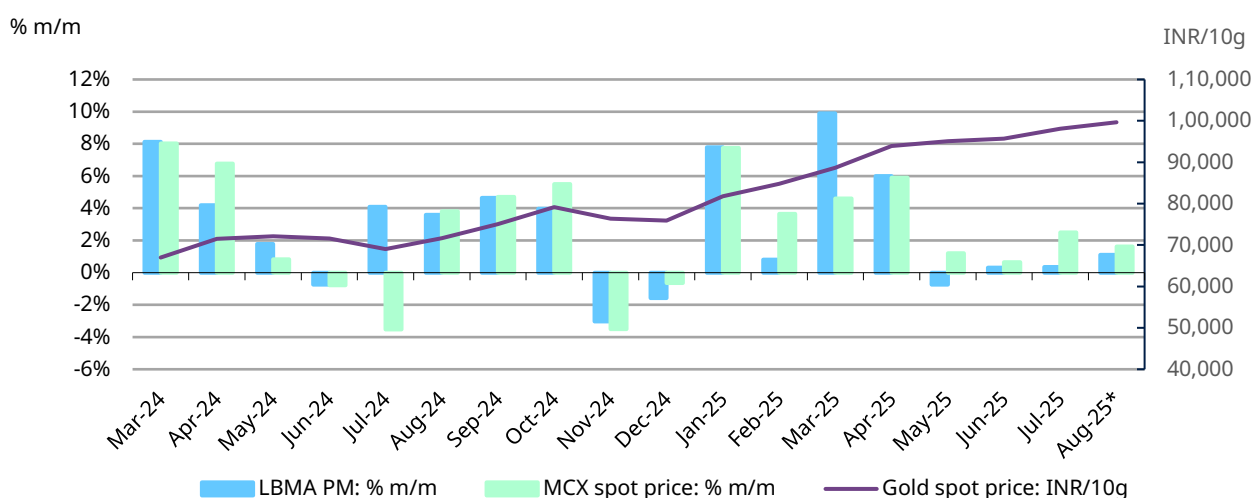
- As the festive and wedding season approaches there are signs that gold jewellery demand is gaining momentum, and with investment interest holding firm, overall gold demand could receive a boost.

Gold gains but remains range bound

Gold prices have gained renewed strength in August, with international gold prices rising over 1% in the first half of the month to reach US\$3,335/oz, building on the modest 0.3% gain in July.² A combination of factors, including a weaker US dollar, expectations of a Fed rate cut, rising inflation expectations, and ongoing tariff developments has driven the recent price movement. Similarly, gold price movement in July was supported by tariff tensions, geopolitical risks, and inflation concerns, with market momentum also contributing. However, overall price movement has remained range-bound. Despite short-term fluctuations, gold continues to outperform in 2025, delivering a 28% return in US dollar terms year-to-date.³

Chart 1: Gold prices rise; bound by range

End of month LBMA Price PM and domestic spot price changes and movement*



*Based on the LBMA Gold Price PM in USD and MCX spot gold price as of 14 August 2025.
Source: Bloomberg, World Gold Council

1. July and 1-13 August 2025.

2. Based on the LBMA Gold Price PM as of 14 August and 31 July 2025, respectively.

3. Based on the LBMA Gold Price PM as of 14 August 2025.



Domestic gold prices in India have closely tracked international trends, with a weaker rupee amplifying gains. As of mid-August, prices had risen 1.6% month-to-date⁴ to INR 99,665/10g, taking the year-to-date increase to 31%. Importantly, signs of improving demand have led to a narrowing of domestic market discounts⁵ – from an average of US\$27/oz in June to US\$3.7/oz as of mid-August.

Gold jewellery market eyes festive season revival

Signs of demand revival are emerging as the gold jewellery market gears up for the upcoming festive and wedding season (from early August to year-end). Anecdotal reports from industry stakeholders suggest a positive outlook. This optimism was evident at the recent India International Jewellery Show (IIJS),⁶ the country's largest jewellery trade fair. As per anecdotal reports from the event, many manufacturers reported stronger-than-expected buying interest and a noticeable pickup in orders from both large chain stores and independent retailers. Retailers who had been cautious about their inventories in recent months due to lacklustre demand reported active restocking in anticipation of improved festive sales. And gold price stability also reportedly supported buyer sentiment. Furthermore, to appeal to price-sensitive customers and to drive volumes, manufacturers are focusing on lighter-weight jewellery.

Meanwhile, market reports suggest that investment demand for physical gold, i.e. bars and coins, remains healthy.

Positive flows and expansion in gold ETFs

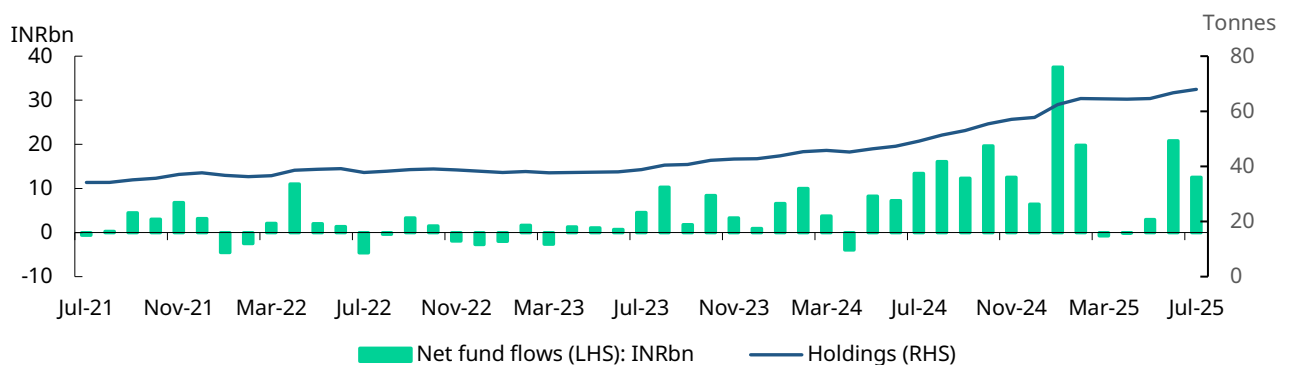
Flows into Indian gold ETFs remained positive in July, marking the third consecutive month of net inflows. Global policy-related uncertainties and geopolitical tensions have been major drivers of this trend. But, the pace of net inflows slowed, declining to INR12.6bn (US\$146mn) in July, down 41% from the previous month. This was broadly in line with our initial estimate⁷ and nearly 34% higher than the 2024 monthly average of INR 9.4bn. The positive momentum has carried into August, with partial data for the first two weeks indicating higher inflows into Indian gold ETFs.

At the end of July Indian gold ETFs' cumulative assets under management (AUM) stood at INR676bn (US\$7.85bn), a 96% y/y increase. Total gold holdings rose to 68t, with 1.2t added during the month.⁸ Investor interest in gold ETFs continues to strengthen as indicated by the steady growth in new accounts (folios); 215k new folios were added in July, bringing the total to 7.86mn, a 42% y/y increase.⁹

One new gold ETF was also launched in July,¹⁰ bringing the total number of gold ETFs listed in India to 21.¹¹

Chart 2: Healthy inflows and rising holdings

Monthly gold ETF flows in INRbn, and total holdings in tonnes*



*As of end July 2025.

Source: AMFI, ICRA Analytics, CMIE, World Gold Council

4. Based on the MCX spot gold price as of 14 August 2025.

5. The premium/discount of local gold prices is based on the LBMA Gold Price AM adjusted for import taxes and exchange rate, which is also referred to as the 'landed price'.

6. IIJS was held in Mumbai from 31 July to 4 August 2025.

7. WGC's preliminary estimate, based on partial data, indicated net fund inflows of INR1,286cr (US\$156mn).

8. WGC's preliminary estimate, based on partial data, indicated a net addition of 1.4t in July.

9. As per data from the Association of Mutual Funds of India (AMFI).

10. Motilal Oswal Gold ETF was launched in July 2025, as detailed in AMFI's website.

11. A full list of the physically-backed gold ETFs we tracked can be found in: [Gold ETF: Stock, Holdings and Flows | World Gold Council](#)



RBI's gold reserves unchanged

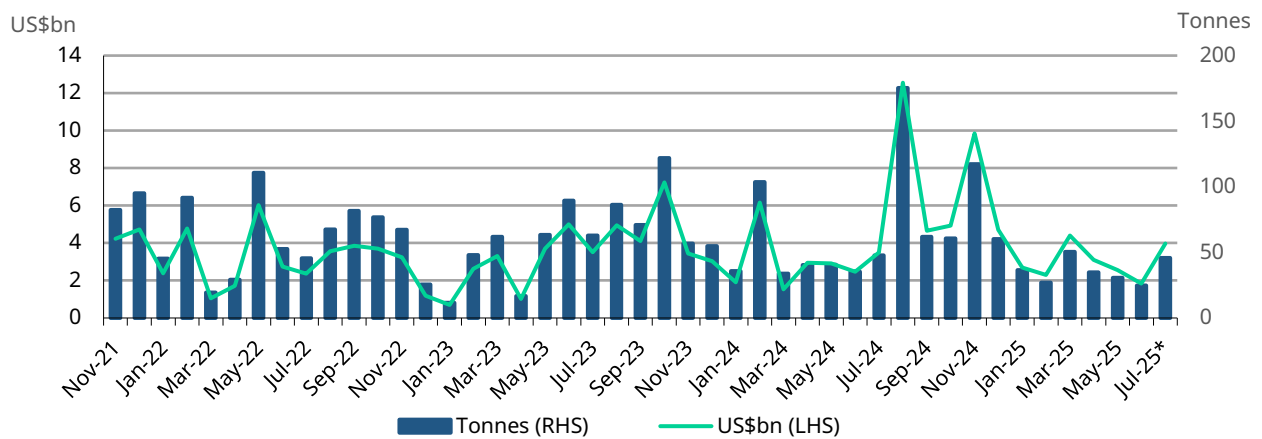
The Reserve Bank of India did not add to its gold reserves in July, following a modest addition of 0.4t in June. Over the first seven months this year it increased its gold reserves by 4t, a sharp contrast to the 40t bought during the same period in 2024. We believe that this suggests a measured approach in the RBI's gold reserve management amid significant gains in the gold prices. Despite the slowdown, RBI's gold holdings remain at a record high of 880t, now accounting for 12% of its foreign exchange reserves, up 4% y/y.

Spurt in imports

Gold imports saw a significant rebound, following three months of declines. At US\$4bn, imports in July notably surpassed the monthly average imports for the first six months of 2025 (US\$3bn); up 14% y/y and more than double the value of those during June. Our estimates indicate that the volume of gold imported in July ranged from 42t to 48t. The higher import levels suggest that manufacturers are likely preparing for festive season demand, beginning in August.

Chart 3: Uptick in imports

Monthly gold imports in tonnes and US\$bn*



*Includes World Gold Council estimates.

Source: Ministry of Commerce and Industry, CMIE, World Gold Council



World Gold Council

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We drive industry progress, shaping policy and setting the standards for a perpetual and sustainable gold market.

Author



Kavita Chacko
Research Head, India
World Gold Council



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